GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7184
ANSWERED ON:13.05.2005
SURANCE COMPANIES
Pandey Dr. Laxminarayan;Tripathi Shri Chandramani

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that some private sector insurance companies harrass the policy holders in settlement of their claims;

(b) if so, whether the Government has received any complaints in this regard;

(c) if so, the details thereof indicating the action taken by the Government on such complaints;

(d) whether the Government has issued any directions to the private sector insurance companies for the redressal of grievances of policy holders; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PLANIMANICKAM) :

(a) and (b) Government as well as the Insurance Regulatory and Development Authority (IRDA) have been receiving complaints against the insurers, including private insurers, relating to non-settlement or delay in settlement of claims,repudiation of claims/partial settlement of claims etc.

(c) to (e) IRDA which was established to protect the interest of the policy holders, has notified the Insurance Regulatory and Development Authority (Protection of Policyholders` Interests) Regulations, 2001. These regulations stipulate the duties and obligations of the insurers and policy holders in respect of an insurance contract, both at the point of sale and in the event of a claim, and setting up of in-house grievance redressal mechanism in the insurance companies. In addition to this, for grievances relating to the settlement of claims, the policy holders could approach the existing institutions like Insurance Ombudsman, IRDA Grievance Cell, Consumers Fora or the Courts.